

Appl. No. 10/081,556
Amdt. dated November 15, 2004
Reply to Office Action of May 13, 2004

PATENT

REMARKS

This Response is being filed in response to the Office Action dated May 13, 2004. Enclosed separately herewith is a Request for Extension of Time to and including November 15, 2004, since November 13, 2004 fell on a Saturday.

35 U.S.C. §102(e)

Claims 19-38 are pending in the application. New claim 39 has been added in this Response. The Office Action rejects claims 19-27 and 36-38 as allegedly being unpatentable in light of U.S. Patent No. 6,085,976 to Sehr (hereinafter "Sehr"). Applicant respectfully traverses the rejection and requests reconsideration in allowance of all claims for the reasons provided below.

Anticipation under 35 U.S.C. §102 requires the disclosure in a single prior art reference of each element of the claim under consideration. *See, W.L. Gore & Associates v. Garlock, Inc.*, 220 USPQ at 313. Anticipation requires the presence and a single prior art reference disclosure of each and every element of the claimed invention, *arranged as in the claim*. *See, Lindemann Maschinenfabrik GmbH v. American Hoist & Derrick Co.*, 730 F.2d 1452 (Fed. Cir. 1984).

Sehr fails to disclose:

a best fare processor in communication with the mass transit central computer, the best fare processor for analyzing a rolling time period comprising a portion of the fare transaction data stored on the smart card against the at least one price point of the each price point table of the plurality of price point tables, the rolling time period having a start date and an end date, the best fare processor for determining the best fare for the rolling time period when a sum of the purchased fares for the rolling time period is at least equal to the maximum fare of the at least one price point,

as presented in claim 19.

The Examiner admitted to such in the Office Action mailed September 30, 2003 on page 3 when the Examiner states: "Sehr does not specifically teach that algorithm for

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determining a sum of the purchase fare values for a time period and awarding the best fare includes comparing said sum of the purchase fare values to a price point of the price point table." Therefore, claim 19 should be allowable over the Sehr reference.

Likewise, claim 36 requires:

a best fare processor in communication with the mass transit central computer, the best fare processor for comparing the fare transaction data stored on the smart card to the maximum number of days and the maximum fare of the each price point of the plurality of price points to determine the best fare available to the patron for a rolling time period, the rolling time period comprising at least a portion of the plurality of days.

As stated above, the Examiner has admitted in the previous Office Action that Sehr does not teach determining a sum of the purchase fare value for a time period in awarding the best fare by comparing the sum of the purchase value to a price point of the price point table. Therefore, Sehr cannot anticipate claims 19 or 36. Therefore, claims 19 and 36 are not anticipated by Sehr, and should be allowable. In addition, claims 20-27 depend from 19, and 37 and 38 depend from 36. Since these dependent claims depend from allowable claims, dependent claims 20-27 and 37-38 should be allowed.

The Examiner rejected claim 22 as including non-functional language. The Examiner also rejected claims 23-24, 25, 26, 27, 37, and 38 because of allegedly including non-functional language. The Examiner's rejection does not make sense. In each citation by the Examiner, the cite quotes functional language, however, the Examiner claims that the functional language is non-functional. If the language is "non-functional", then the Examiner's argument that, as cited relating to claim 22, "claims directed to an apparatus must be distinguished from the prior art in terms of structure rather than function..." includes the use of citations citing that the claims must described in terms of structure rather than function. Nevertheless, the Examiner states that the limitation in the pending claims is "non-functional language." Therefore, clarification of the Examiner's multiple rejections as cited under 35 U.S.C. §102 is requested. Is the rejection based on the language in the claims being non-functional?

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Nevertheless, if the Examiner meant to say that the functional language, as in claim 22, "sharing of price point table" is *functional*, and not "non-functional language" as the Examiner states in the Office Action, then the Examiner has missed the mark again.

The Court of Appeals for the Federal Circuit has held that functional language is acceptable in structural claims. *See, In re Swinehart*, 439 F.2d 210 (CCPA 1971). For example, in *In re Land*, 368 F.2d 866 (CCPA 1966) the Federal Circuit noted that portions of a claim were functional, but nevertheless held the claim patentable over the prior art in view of the functional limitations. There is ample precedent to establish that functional limitations are appropriate in claims and should be afforded patentable weight by the Examiner for determining anticipation. Functional limitations are to be given patentable weight even if it is only these limitations that distinguish over the prior art. The Federal Circuit has interpreted functional language in an apparatus claim as requiring that an accused apparatus possess the capability of performing the recited function. *See, Intel Corp. v. US International Trade Commission*, 946 F.2d 821, 832 (Fed. Cir. 1991).

Accordingly, the Examiner's 35 U.S.C. §102 rejections that are directed to the depending claims should be withdrawn. Nevertheless, the Examiner must clarify the rejection based upon the dependent claims since the Examiner's rejection based on "non-functional" language is contrary to the citations given.

35 U.S.C. §103

The Examiner rejected claims 28-35 as allegedly being unpatentable over Sehr in view of U.S. Patent No. 6,550,672 issued to Tracy.

The Examiner states that Sehr does not teach that price related information is structured as a price point table in claim 28. The Examiner goes on to state that it would have been obvious to one having ordinary skill in the art at the time of the invention to modify Sehr to include price related information as structured in a price point table as disclosed in Tracy.

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There Must Be a Basis in the Art for Combining or Modifying the References

The mere fact that references can be combined or modified does not render the resultant combination obvious unless the prior art also suggests the desirability of the combination. *In re Mills*, 916 F.2d 680 (Fed. Cir. 1990); *see, also*, MPEP §2143.01.

Sehr discloses a travel system having multi-application passenger cards that can be used for traveling purposes, purchase of travel-related goods and services, and for the implementation of other card-based applications. See Sehr Abstract. The passenger can store a monetary value in electronic payment points that may be used in lieu of money. *See, Sehr*, col. 9, lines 12-15, and col. 10, lines 52-62. The electronic payment points discussed in Sehr correspond to, for example, frequent flyer points that may be redeemed for flights.

Tracy is directed to an improved portable shopping system that includes a portable terminal with components representing audio as well as video information to the customer. See Abstract. Tracy employs a portable terminal having an integrated machine code reader, such as an integrated bar code laser scanner. *See* col. 3, lines 31-37.

Therefore, the disclosure in Sehr is related to a travel system having multi-application passenger cards that can be used for traveling purposes, such as the purchase of travel related goods and services, and Tracy is directed to portable terminals with bar code scanners.

Applicant respectfully traverses the Examiner's rejections of claims 28-35 under 35 U.S.C. §103(a). Obviousness cannot be established by combining the teachings of the prior art to produce the claimed invention, absent some teaching, suggestion or incentive supporting the combination of the prior art. *See, ACS Hospital Systems, Inc. v. Montefiore Hospital*, 732 F.2d 1572, 1577 (Fed. Cir. 1984). There simply is no teaching or suggestion or incentive to support the combination of Sehr with Tracy. Sehr is directed to a travel system having multi-application passenger cards for traveling purposes, and Tracy is directed to portable terminals having machine code readers, such as bar code scanners.

Therefore, it is respectfully submitted that there is no motivation, suggestion, or teaching to combine Sehr with Tracy to support the combination of those references to render claims 28-35 obvious under 35 U.S.C. §103(a). There simply would be no desirability to combine Sehr with Tracy.

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An Obviousness Rejection Requires a Reasonable Expectation of Success

For the Examiner to establish *prima facie* obviousness, there must be a reasonable expectation of success. As stated above, the Federal Circuit requires that some reason or suggestion must be found in the prior art or other evidence of record that would have led one of ordinary skill in the art to produce the claimed invention in order to properly establish a *prima facie* case of obviousness. In *In re Clinton*, 527 F.2d 1226 (CCPA 1976), the Court first looked at the references to determine whether "the references by themselves...suggest doing what appellants have done." The Court next considered whether a person of ordinary skill in the art would have had a sufficient basis for the required expectation of success. Thus, the Court held that obviousness does not require absolute predictability but a reasonable expectation of success is *necessary*. Accordingly, when going from the prior art to the claimed invention, one cannot base obviousness upon what a person skilled in the art might try or might find obvious to try but rather must consider what the prior art would have led that person skilled in the art to do. Therefore, an "obvious to try" is an improper basis for a 35 U.S.C. §103 rejection when there is no suggestion or expressed expectation of success in the prior art that would have led one to perform an experimentation in the first place.

In the present case, as stated above, based on the different areas of technology and attempts to solve different problems relating to the Sehr reference versus the Tracy reference, and further yet that the combined elements that the Examiner suggests may render the resulting method inoperable, there is no suggestion or express expectation of success in the prior art that would have led one to perform the experimentation of combining Sehr with Tracy in the first place. Therefore, *inter alia*, the Examiner should withdraw the 35 U.S.C. §103 rejections for claims 28-35 as stated in the Office Action.

Claims 28-35 in the present application are directed to a method for determining a best fare for a patron utilizing a smart card for access to at least one mass transit device of a plurality of mass transit devices. There is no method disclosed in Sehr that is directed to the same technological area. The Tracy reference does not disclose any suggestion of a method as presently claimed in claims 28-35 of the pending application. Therefore, no combination of a method as disclosed in Tracy with a method as disclosed in Sehr would result in the method as

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claimed in claim 28 in the present application. Claims 29-35 depend from claim 28, and therefore, the rejection directed to claims 28-35 should be withdrawn from the present application.

Therefore, it is respectfully submitted that the Examiner withdraw the 35 U.S.C. §103(a) rejection directed to claims 28-35.

CONCLUSION

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 858-350-6100.

Respectfully submitted,


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